

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
3rd Revised Sheet No. 33
(Canceling 2nd Revised Sheet
No. 33, Effective May 31,
1997)

Terms and Conditions

GENERAL:

*** Definition of Customer.**

Customer shall mean a person or persons, in a single family occupancy, receiving service under a Residential Service rate from the Company or a single entity receiving service on a single premises under a non-residential service rate, subject to the "Redistribution of Gas" provision. Agents, Suppliers, Brokers or Marketers of natural gas services who have an authorized agency agreement with a Customer and is acting as that Customer's agent shall also be treated as a Customer except with respect to credit and collection activity and disconnection of service.

How the Company's Service Can be Obtained.

Subject to the conditions of service stated in this Schedule, any prospective Customer can obtain gas service by first making application, or by signing a contract in certain cases, for the particular class of service desired. Credit of an applicant can be established in accordance with 83 Illinois Administrative Code Part 280 of the Illinois Commerce Commission. Except as otherwise stated in this Schedule, applicants for service shall, at their own expense, equip their premises with such piping and other equipment as may be necessary for the utilization of the Company's gas.

Service to Which Rates Apply.

The rates specified in this Schedule apply only to the use of gas of such form as is regularly furnished by the Company in the locality in which the premise to be served is situated, and apply only to the usual and regular supplying of gas.

Selection of Rate.

The Company's rates as legally in effect are on file with the Illinois Commerce Commission and available for public inspection at any business office of the Company.

The Company will assist any Customer to determine the charges, conditions or use of service under any applicable rate. Where more than one rate is available for certain classes of service, the Company will assist in the selection of the rate most favorable for the Customer's requirements, but the Customer shall be responsible for the rate selection in any case.

Substitution of Rate.

The Customer may elect to transfer to another rate with like service selections at any time after any period of 12 months or more of continuous service under a rate. Each transfer shall be effective as provided for in the Tariff.

Assignment.

The benefits and obligations of the contract for service shall inure to and be binding upon the successors and assigns of the original parties thereto, respectively, for the full term thereof; provided, that no assignment shall be made by the Customer without first obtaining the Company's written consent and provided, further, that the successor shall execute and deliver to the Company an agreement assuming and agreeing to be bound by the original contract.

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Terms and Conditions

(Continued From Sheet No. 33)

Agents Cannot Modify Agreement.

No agent has the authority to amend, modify or alter the contract for service or waive any of its conditions, or to bind the Company by making any promises or representations not contained therein.

Definitions.

Gas Day.

A gas day shall be defined hereunder as being the time from 9:00 A.M. of one day to 9:00 A.M. of the succeeding day.

Therm.

A "therm" is an amount of heat value equivalent to one hundred thousand British thermal units (100,000 Btu).

Heat Content.

The heating value of gas supplied by the Company is approximately 1,000 Btu per cubic foot.

Unless otherwise specified in the rate, the Customer shall be billed on the basis of the average heating value of all gas purchased, and Customer-owned gas transported, by the Company, as determined in accordance with the provisions of Rider 11, Thermal Content of Gas Supplied, set forth in this Schedule.

Degree Day.

A degree day is 65 degrees minus the average of the gas day's high and low temperatures.

*** Market Price.**

The Market Price is the cost of gas on a particular day to the Company in order to obtain additional supplies. Such price shall be the average of the low and high prices reported for Chicago City Gate deliveries in Gas Daily. In the event that Gas Daily is unavailable, then a reported Chicago City Gate price of another appropriate publication shall be used.

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**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
2nd Revised Sheet No. 35
(Canceling 1st Revised Sheet No.
35, Effective April 11, 1996)

Terms and Conditions

(Continued From Sheet No. 34)

CONDITIONS OF SERVICE:

Equipment Furnished and Maintained by Customer.

All gas utilization equipment, piping, and vents furnished by the Customer shall be suitable for the purposes hereof and shall be installed and maintained by the Customer at all times in accordance with accepted practice and in conformity with requirements of public health and safety, as set forth by the properly constituted authorities and by the Company.

The Company assumes no responsibility in connection with the installation, maintenance or operation of the Customer's equipment and reserves the right to discontinue service if such equipment is in an unsatisfactory condition.

*** Company's Property and Protection Thereof.**

All meters, regulators, and other facilities placed on the Customer's premises by the Company for the purpose of rendering gas service to said premises, unless otherwise expressly provided, shall be and remain the property of the Company, and the Customer shall exercise reasonable care to protect such property from loss or damage. If a meter installation requires physical protection to prevent damage from a hazardous condition, such protection shall be provided at the Customer's expense. When, in the Company's judgement, relocation of its facilities becomes necessary because of Customer's construction or change in operations; or when relocations or revisions of the Company's facilities are requested for the convenience of the Customer, the Company, at the Customer's expense, will make such revisions, to the extent and to such locations deemed to be feasible by the Company.

The Company will charge a Customer \$360 for any damage to the Company's non-steel service pipes, sized 1 1/8 inch or less. Charges for damages to the Company's mains, steel service pipes and service pipe larger than 1 1/8 inch in size will be determined based on the time and material necessary to make the repairs.

Landlord's Consent.

In case the Customer is not the owner of the premises or of intervening property between the premises and the Company's main, the Customer shall obtain from the proper owner, or owners, the necessary consent to the installation and maintenance on the premises and on such intervening property of all piping, or other gas equipment required for the supplying of gas to the Customer.

Access to Premises.

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of reading, examining, repairing, or removing the Company's meters or other property.

(Continued On Sheet No. 36)

Filed with the Illinois Commerce Commission on November 4, 2004
Items in which there are changes are preceded by an asterisk (*)

Effective December 19, 2004
Issued by - Gerald P. O'Connor
Vice President
Post Office Box 190
Aurora, Illinois 60507

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
4th Revised Sheet No. 36
(Canceling 3rd Revised Sheet
No. 36, Effective June 30, 2000)

Terms and Conditions

(Continued From Sheet No. 35)

Interfering Equipment.

Whenever any of the Customer's utilization equipment, such as compressors, furnaces, boilers or gas turbines has characteristics which will cause interference with service to any other Customer, interfere with proper metering or adversely impact the Company's transmission or distribution system operation, suitable facilities and system improvements shall be provided at the Customer's expense to preclude such interference. Customer may pay for such improvement in one payment or by monthly installments. In the event the Company must purchase incremental services from interstate pipelines to service the Customer, the Customer shall pay for such incremental service on a monthly basis. The Customer may agree to reduced service levels to minimize such charges. Any agreement relating to charges to be billed pursuant to this provision or an agreed reduction in service level shall be submitted to the Illinois Commerce Commission for informational purposes on a confidential basis as provided by 83 Illinois Administrative Code Part 335 - Confidential Contracts.

Use of Gas for Testing.

The Company may authorize the Customer to use gas in excess of the Customer's Maximum Daily Contract Quantity (MDCQ) for the purpose of testing equipment not previously served by the Company. The amount of gas to be used for such testing and the period or periods of such use shall be subject to prior written approval of the Company. The increased demand so occasioned shall not be taken into account in the determination of the Customer's MDCQ.

Charges for Altering or Tampering With Company Facilities.

When the Company discovers that Company facilities have been altered or tampered with, either causing damage thereto or resulting in receipt of quantities of gas in excess of measured quantities, the Company will bill the Customer for the following:

- (1) The charges for the estimated amount of gas received by the Customer not otherwise measured and billed.
- (2) Material, labor, clerical and transportation expenses, with associated overheads of fringe benefits, direct supervision and taxes on labor, and stores charges on materials, incurred in replacing or repairing the meter and related facilities and preparing the bill.

*** Natural Gas Used as a Motor Vehicle Fuel.**

The Customer shall be responsible for all taxes to governmental bodies on the sale of natural gas for conversion to compressed natural gas (CNG) for use in vehicles.

Escaping Gas.

The Customer shall immediately give notice to the Company of any gas escaping in or about the premises.

(Continued On Sheet No. 37)

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Effective December 19, 2004
Issued by - Gerald P. O'Connor
Vice President
Post Office Box 190
Aurora, Illinois 60507

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
2nd Revised Sheet No. 37
(canceling 1st Revised Sheet No. 37
effective April 11, 1996)

Terms and Conditions

(Continued From Sheet No. 36)

BILLING AND MAINTENANCE OF CREDIT:

*** Deposits and Establishment of Credit.**

An Applicant for gas service or a Customer of the Company will be extended credit in accordance with the options listed in 83 Illinois Administrative Code Part 280. The determination of any deposit for the purpose of establishing credit for residential service may be based on the Applicant's credit score provided by recognized credit agencies. The Company may request a deposit from the Applicant for residential service if the Applicant's credit score does not meet the Company's credit score benchmark. A credit score shall not be used to determine a deposit for an Applicant for residential service that qualifies for the Low Income Home Energy Assistance Program (LIHEAP) or provides proof of identity fraud. The Company will provide, by confirming letter, the toll-free telephone number and contact information of the appropriate credit agency to any customer that is billed a deposit based on the customer's credit score. The amount of any deposit made for the purpose of establishing credit will be collected, adjusted and refunded in compliance with Part 280, and any applicable variances.

Late Payment Charges.

Except as otherwise specified below, the stated charges shall be payable within 21 days after the postmarked date of the bill for residential customers and within 14 days after such date for nonresidential customers, and late payment charges shall be assessed thereafter.

Federal, State, County, and City Governments, including public schools, will be allowed 45 days, but no late payment charge will be assessed. Churches, hospitals, and charitable institutions, including parochial schools, supported wholly or in part by voluntary contributions, and private schools will be allowed a payment period of 45 days.

Customers regularly operating five or more premises having multiple billing dates may, upon written request to the Company, have a single day in each month designated for the payment of bills for all such premises, such day to be selected by the Company. The stated charges of all such bills shall be payable if payment is made on or before such day and late payment charges shall be assessed thereafter.

At its option the Company may (for (1) through (3) below), and shall (for (4) and (5) below) extend the due date for bills to residential customers living on a limited fixed income who demonstrate difficulty in paying their bills. This extension will only be applied to a permanent address at a home or apartment. To qualify for consideration for an extended due date the customer must be the head of household and subject to one of the following:

- (1) Age 65 or over and retired.
- (2) Age 62 or over, retired and receiving Social Security income.
- (3) Disabled and receiving benefits from Supplemental Security Income or other similar program.
- (4) Regardless of age, collecting unemployment benefits from the State Unemployment Insurance Agency.
- (5) Regardless of age, collecting Aid to Families with Dependent Children; Aid to the Aged, Blind and Disabled; benefits from General Assistance or Supplementary Security Income; payments as primary source of income from Social Security or Veterans Administration benefits; survivor benefits under Social Security.

(Continued On Sheet No. 38)

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Issued by - George M. Behrens
Vice President
Post Office Box 190
Aurora, Illinois 60507

Terms and Conditions

(Continued From Sheet No. 37)

When the last day of any normal payment period falls on Saturday, Sunday, or a legal holiday, such period will automatically be extended to include the first full business day following.

The late payment charge shall be 1-1/2 percent per month of any past due balance of the Customer's account.

A Customer shall be deemed to have paid on time when a customer mails payment of the full amount of a bill for service, and such payment is received at the Company's office not more than two full business days after the due date printed on the bill.

Where the Customer disputes any bill within the normal payment period, the Company will accept payment in full of such bill without late payment charges if payment is made within 14 days after resolution of the dispute.

For residential customers, the Company will waive the assessment of the late payment charge on current billing one time in each 12-month period beginning July 1.

Late payment charges shall not continue to be assessed for a final bill which has been outstanding for more than 12 months.

Right to Discontinue Service.

The Company shall have the right to discontinue its gas service to the Customer on due notice and to remove its property from the Customer's premises upon failure of the Customer to establish credit or adjust his cash deposit, or for nonpayment of bills for gas service, as provided by 83 Illinois Administrative Code Part 280 of the Illinois Commerce Commission, or in case the Customer fails to comply with, or perform, any of the conditions or obligations hereof.

A Customer's service so discontinued shall be reconnected after the Customer has made settlement for his bills in arrears at a Company office or has, to the Company's satisfaction, complied with or performed such other conditions or obligations hereof which were in default, as the case may be, and has paid a service reconnection charge as hereinafter provided.

Service Reconnection Charge.

When the Company discontinues service for cause, as specified above, and service is subsequently resumed for the same Customer, the Customer will be reconnected without charge once each calendar year. For each subsequent reconnection of service in any calendar year, the Customer shall pay an additional charge of \$23.00. For Customers whose service is turned off at their request, reinstatement of service within 12 months at the same location shall be provided at a charge of \$23.00, plus the Monthly Customer Charges applicable to the period during which service was turned off, including but not limited to, monthly Customer, administrative, demand, recording device and Gas Supply Cost charges as applicable under the rate and riders under which the Customer is served.

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**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
4th Revised Sheet No. 39
(Cancelling 3rd Revised Sheet
No. 39, Effective February 22,
2001)

Terms and Conditions

(Continued From Sheet No. 38)

*** Payment by Invalid Check.**

A charge of \$16.00 will be assessed on a Customer who pays by a check or any other negotiable instrument which is not honored and returned to the Company for the following reasons: (a) Not Sufficient Funds; (b) account closed; or (c) any other reason except error of the financial institution or Company.

*** Monthly and Bimonthly Bills.**

For the purposes of this Schedule the terms "month" or "monthly" shall mean the period between any two consecutive regular meter readings taken as nearly as practicable at 30-day intervals; and "bimonthly" shall mean the period between any two consecutive regular meter readings taken as nearly as practicable at 60-day intervals.

The Company may prepare any bill for service under Rate 1 or Rate 4 on a bimonthly basis, or under such rates, may read meters bimonthly but render bills on a monthly basis, using estimated readings for bills falling between bimonthly readings. All other Customers shall be billed on a monthly basis.

Where charges in the rate are stated for, or based upon, a specified number of therms supplied in the month, such number of therms shall be doubled when computing bimonthly bills. Monthly minimum charges and monthly determination of gross charges shall be doubled when computing bimonthly bills.

Budget Payment Plan

The Budget Payment Plan is available to any Customer being served under Rate 1 or Rate 4 with the exception of Customers whose service is disconnected for non-payment, and Customers whose average monthly bill is greater than \$4,000. At the request of any such Customer, the Company shall estimate the aggregate amount of the Customer's bills for gas service during a twelve month budget period to determine a monthly installment amount. The Company shall advise the customer of the amount of the monthly installment to be paid by the Customer during the budget period. Upon advice from the Company as to the monthly installment, the plan shall be put into effect with respect to said Customer, and the Customer shall be entitled to receive gas service under the plan so long as Customer (1) pays each monthly installment on or before the due date of such installment, and (2) pays, on or before the due date for the last installment of the budget period, the amount of the excess of the actual charges for gas service taken by the Customer during the preceding budget period over the sum of the installments theretofore paid by the Customer, if the excess is above a threshold amount determined by the Company. If the excess is less than the threshold amount, the excess will be carried over into the next budget period. The threshold amount initially established is \$77.

(Continued On Sheet No. 39.5)

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 – Gas
2nd Revised Sheet No. 39.5
(Canceling 1st Revised Sheet No.
39.5, Effective November 2, 2001)

Terms and Conditions

(Continued From Sheet No. 39)

If a Customer does not make payment by the installment due date, unless the Customer has a credit balance, the installment will be considered past due. A Customer shall be removed from the program when two installments are past due. A Customer can be reinstated on the budget plan after all past due installments are paid. One reinstatement is permitted during the twelve month budget plan period.

During the twelve month budget period, when there is a budget plan balance which reflects payments greater than actual bills, the Company will apply a credit to the variance. Such credit shall be based on the average daily credit balance, at an annual rate equal to that earned on 13-week Treasury Bills as reported by The Wall Street Journal, "Money Rates" table. Such rate shall be determined for each calendar quarter by averaging the daily reported 13-week Treasury Bill rate for the period beginning on the first working day of the previous quarter and ending five working days before the end of that quarter. Such average rate shall become effective as of the first day of each calendar quarter (i.e., January 1, April 1, July 1 and October 1). In the event such rate and/or publication becomes unavailable, a comparable rate and/or publication shall be substituted. Upon request from the Customer, part or all of any credit balance will be refunded to the Customer.

If the Customer incurs a debit balance during the budget plan period, a fee equal to the annual credit rate will be charged based on the Customer's monthly account balance shortfall.

- * The furnishing by the Company of any estimate shall not be construed by the Customer as a guarantee or assurance that total actual charges will not exceed the estimates. Whenever, in the Company's judgment, it is deemed advisable to revise the estimate of the aggregate amount of any Customer's bills for the budget period, the Company shall prepare such revised estimate and advise the Customer of the amount thereof. The Company will review the budget payment amount from time to time and may revise the payment amount if it varies by \$6.00 or more from the budget payment amount in effect at the time of the review. Thereafter, the revised estimate shall be used by the Company as the basis for budget payments by the Customer until such time as it may be deemed advisable to revise the estimate.

Said estimates, or any revision thereof, shall apply only to the premises then occupied by the Customer, and if the Customer vacates such premises, the plan with respect to said Customer shall immediately terminate and any amounts payable by or due to the Customer on account of service rendered during the period covered by the plan shall be billed or paid to the Customer.

(Continued On Sheet No. 40)

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Items in which there are changes are preceded by an asterisk (*)

Effective December 19, 2004
Issued by – Gerald P. O'Connor
Vice President
Post Office Box 190
Aurora, Illinois 60507

Terms and Conditions

(Continued From Sheet No. 39.5)

EXTENSION OF DISTRIBUTION SYSTEM:

Gas Main Extension.

The Company will extend its gas main along a street, highway, or other right-of-way to a point adjacent to the property line of any Customer, or improved lots within a subdivision, subject to the following conditions:

(a) Deposits.

The Customer may be required to deposit with the Company in advance an amount of money equal to the Company's estimated cost of the required extension, computed at the Company's estimated average cost for the current year, minus the estimated average cost of an extension of 100 feet of low pressure main or 200 feet of high pressure main, as the case may be. Where two or more Customers are to be served from the extension, the total amount to be deposited shall be apportioned among the number of Customers.

Where an extension of main is required for service to lots under development within a subdivision, the Subdivider may be required to deposit with the Company in advance an amount of money equal to the Company's estimated cost of the required extension computed at the Company's estimated average cost for the current year. In such cases, the Subdivider shall grant or cause to be granted to the Company the right for the installation, operation and maintenance of the gas main and any related facilities.

(b) Refunds.

The Company shall make refunds, not to exceed the amount of the original deposit, for a period not to exceed 120 months from the date the required extension is completed, by paying to the depositor or depositors an amount equal to the Company's estimated cost, at the time of the original deposit, of constructing an extension of 100 feet of low pressure main or 200 feet of high pressure main, as the case may be, for each additional Customer who connects and takes service from or through the original extension.

Refunds for the connection of additional Customers shall be payable once a year when a review is made by the Company or upon notification from a depositor that a qualified Customer is receiving service and upon confirmation by the Company. In the case of two or more depositors, the refund on account of an additional Customer shall be apportioned among the depositors. The Company shall cease to make refunds at the expiration of the 10-year period and if there is any portion of the deposit then unrefunded it shall be retained by the Company.

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**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
2nd Revised Sheet No. 41
(Canceling 1st Revised Sheet No.
41, Effective April 11, 1996)

Terms and Conditions

(Continued From Sheet No. 40)

(c) General.

Facilities will not be provided hereunder for any uneconomic extension, temporary business or business of doubtful permanency. For the purposes hereof, the term "uneconomic" shall mean any case where expected revenues make it doubtful that a reasonable return would be derived from the required investment. In such cases, the Customer or Subdivider may provide an additional deposit, over and above that provided for above, to make the required extension economic, as determined by the Company; provided, however, that this section shall not operate to deprive any Customer of his right to 100 feet of low pressure main, or 200 feet of high pressure main, as the case may be.

The above provisions are effective in lieu of those contained in Section 500.310, sub-paragraph (c)(1)(B), and Section 500.320 sub-paragraph (b)(1)(B), of the Illinois Commerce Commission's 83 Illinois Administrative Code.

*** Gas Service Pipe.**

The Company will furnish, install, own and maintain a gas service pipe from its main, located adjacent to the Customer's premises to the nearest mutually agreeable point of gas delivery adjacent to the Customer's building or, in the case of indoor meters, immediately within the Customer's building. The service pipe installation shall be subject to the following provisions:

- (a) For residential and small non-residential Customers (Meter Class A.), for firm gas service, the Company will install, at its expense, the service pipe between the Company's main and the Customer's property line, and up to 60 feet of service pipe located on the Customer's premises. Any additional service pipe required on the Customer's premises will be installed by the Company at the Company's estimated average installed cost per foot or time and material (T&M) required, as shown below:

Pipe Size	Charges Per Foot			
	First 60 Feet	Next 90 Feet	Next 200 Feet	All Over 350 Feet
1/2 inch PE	No Charge	\$ 3.30	\$ 2.65	T&M
1 inch PE	No Charge	\$ 6.80	\$ 4.50	T&M
3/4 inch Steel	No Charge	\$11.30	T&M	T&M
1-1/4 inch Steel	No Charge	\$13.10	T&M	T&M
2 inch PE	No Charge	\$15.45	T&M	T&M

(Continued On Sheet No. 42)

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Vice President
Post Office Box 190
Aurora, Illinois 60507

Terms and Conditions

(Continued From Sheet No. 41)

For services larger than 2 inches and for 2 inch steel services, charges will be computed based on time and material required for the portion over 60 feet.

The Company will install up to 350 feet of gas service pipe without charge on the premises of not-for-profit schools, colleges, universities, hospitals and churches, and governmental agencies, provided that the gas service supplied by the Company is used for substantially all space heating requirements of such customers. For services longer than 350 feet, charges will be computed based on time and material required for the portion over 350 feet.

- (b) For all non-residential Customers with a meter class other than A, the Company will analyze the project's estimated cost and revenue to determine if it provides an adequate return. If it is determined by the Company that said project will not provide an adequate return, Customer may be required to pay, in advance, an amount adequate to meet such return.
- (c) For temporary service, the Customer shall pay the Company's cost of installing and removing the entire service pipe.
- (d) The Customer shall pay for any estimated additional construction expense occasioned by any abnormal obstruction.
- (e) If a change in the point of delivery or location of the service pipe is requested by the Customer and approved by the Company, the change will be made by the Company at the Customer's expense.
- (f) If the service pipe becomes inadequate to supply increases in the Customer's firm gas load and the cost of enlarging the service pipe is justified by increased revenue from the Customer, the Company will enlarge the service pipe at its expense. Any such enlargement of service pipe for temporary gas load will be made by the Company at the Customer's expense.
- (g) In buildings of at least four stories: (1) underground service pipe will be installed at no charge; and (2) the Company will own, operate and maintain vertical gas risers within the building. This provision is further limited to qualifying buildings, which will provide an adequate return, as determined by the Company.

Temporary Gas Service.

When the Customer will make only temporary use of the gas service, the Customer shall pay to the Company in advance the estimated cost to the Company of furnishing, installing, and removing such facilities as the Company may provide for such temporary service.

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Terms and Conditions

(Continued From Sheet No. 42)

Metering.

The Company will furnish, install, and maintain all metering equipment necessary for measuring and billing the gas supplied.

The gas service supplied to the Customer under any rate shall be measured at a single point of delivery. Unless otherwise specified by the rate, where more than one point of delivery is required by the Customer, each point will be metered separately and billed as a separate account. A point of delivery is the outlet side of the metering installation on the Customer's premises.

The Customer shall provide a suitable space for the metering equipment which shall be readily accessible to employees of the Company for reading, testing, inspecting, or exchanging such metering equipment, and, when required, shall maintain a temperature of not less than 40° Fahrenheit in such space. Customer shall also permit Company access to Customer telephone lines for purpose of telemetering Customer's gas usage.

Meter tests and any billing adjustment for metering error shall be made in accordance with 83 Illinois Administrative Code Part 500.

Customer Payment for Additional or Revised Facilities.

When, for existing non-residential Customers, additional or revised mains or other facilities (excluding service, meter, and regulator) are required to accommodate additional gas loads in excess of 50 therms per hour, the Company will make such changes or revisions, but will charge the Customer for that portion of the costs, exceeding 200 feet of free main, which is not economically feasible. The cost shall be considered not economically feasible where expected incremental revenues make it doubtful that a reasonable return, defined as being the rate of return allowed in the Company's most recent rate order, will be delivered from the required investment. In such cases, the Customer will provide a contribution, deposit, or some other form of contractual agreement, subject to Company approval, to make the required additional or revised facilities economically feasible.

When additional or revised mains or other facilities are required solely to accommodate requests for pressure higher than available and for the Customer's convenience, the Company may make such revisions at the Customer's expense, subject to operating considerations and economically available alternatives.

(Continued On Sheet No. 44)

Terms and Conditions

(Continued From Sheet No. 43)

LIMITATIONS OF SERVICE:

Resale Prohibited.

The Company will not furnish gas for resale, except for gas used for conversion to compressed natural gas (CNG). The term resale shall mean the furnishing of gas by a Customer to a third party where the gas so furnished is separately charged for or metered.

*** Redistribution of Gas.**

The Customer may furnish gas for the use of third parties in a single building only, or a separate section of a building, which is unified physically and in operation, under circumstances which do not constitute resale.

High Pressure Gas Service.

Gas is normally supplied by the Company from a main or service regulator normally operating at low pressure equivalent to six inches of water pressure. Two pounds per square inch gauge pressure (2 psig), is available up to 1,000 cfh, if required, and where adequate pressure is available at the service regulator. In the Mississippi River District, gas is normally supplied at four inches of mercury gauge pressure.

The Company will provide gas at high pressure, where adequate high pressure is available, to non-residential Customers whose load exceeds 10 therms per hour or whose installed equipment requires such higher pressure, upon agreement by the Company and the Customer. Such higher delivery pressure shall be supplied within the range of accuracy provided by a specified service regulator.

For billing purposes, the volume of gas registered in cubic feet by the meter at a pressure in excess of six inches of water pressure shall be corrected to a basis of four ounces (0.25 pounds) per square inch above an assumed atmospheric pressure of 14.4 pounds per square inch, or 14.65 pounds per square inch absolute pressure; the Company reserves the right to correct gas deliveries to a temperature standard of 60 degrees Fahrenheit and to apply deviation factors for supercompressibility.

Continuous Service.

The Company will endeavor to furnish a regular supply of gas to the Customer, unless otherwise specified in the rate. The liability of the Company for damages arising out of service interruptions occurring in the course of furnishing service, and not caused by the negligence of the Customer, shall in no event exceed an amount equivalent to the fixed charges that would otherwise be billed to the Customer for the period of service during which such service interruption occurs. No other liability shall in any case attach to the Company.

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Terms and Conditions

(Continued From Sheet No. 44)

Limitations on the Rendering of Gas Service.

In the event of a gas shortage or an interruption in the Company's gas supply for any reason, the Company shall be entitled: (1) to curtail deliveries of gas to any commercial or industrial Customer, whenever in its judgment such curtailment shall be necessary for the maintenance of gas service to the Company's residential and small commercial Customers; and (2) to allocate available gas supply among some or all of its remaining Customers, whenever in its judgment such supply shall be inadequate to provide gas service to all of such Customers in addition to its residential and small commercial Customers. In effecting any such curtailment or allocation of deliveries, the Company shall first curtail or discontinue the supply of gas to such Customers as commonly use large quantities of gas and are not engaged in an activity essential to health or safety, and where the gas not delivered can conveniently and readily be utilized by the Company to reduce any deficiency in the gas supply to its other Customers. The Company shall not be liable for any damage whatsoever by reason of any such curtailment or discontinuance or because of any shortness of advance notice given directing such curtailment or discontinuance.

The Company also reserves the right to limit, on any day, the volumes of Customer-owned gas delivered into the Company's system when, in the Company's sole judgment, the total gas supply to be delivered into the Company's system may cause an adverse effect on system operations.

(Continued On Sheet No. 46)

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entered April 3, 1996 in Docket No. 95-0219

Effective April 11, 1996
Issued by - Kathleen L. Halloran
Vice President
Post Office Box 190
Aurora, Illinois 60507

**Northern Illinois Gas Company
d/b/a/ Nicor Gas Company**

Ill.C.C. No. 16 – Gas
3rd Revised Sheet No. 46
(Canceling 2nd Revised Sheet,
No. 46, Effective May 31, 1997)

Terms and Conditions

(Continued From Sheet No. 45)

TRANSPORTATION AND STORAGE PROVISIONS:

*** Initial Selection of Transportation Services.**

Customers currently served on a sales service rate can select service under the provisions of Rider 25, Firm Transportation Service at any time.

Customers selecting a transportation service rate (Rates 74, 76 and 77) or switching from a sales service rate to a transportation service rate must first have an appropriate telephone line installed as specified in the Rate before submitting a contract for service. Such contract shall be for service at a single premise or for an existing group of transportation Customers served under Rider 25, Firm Transportation Service. The contract shall specify an initial Storage Banking Service of 26 times (23 times as of the first June 1 after the Effective Date of this tariff) the Customer's Maximum Daily Contract Quantity. Customers may stipulate a Firm Backup Service level, which shall not be reduced for a period of 12 months.

Upon the acceptance of a properly executed contract, the Company shall install a daily usage recording device. For requests between May 1 and September 30, the Customer shall be placed on the requested Rate effective with the billing period beginning after acceptance of the contract. For requests accepted between October 1 and April 30, the Customer shall be placed on the requested Rate effective with the second billing period after acceptance of the contract.

Individual Customers may request to be added to a Group after the daily usage recording device is working properly.

In the event the Customer's telephone line is not present or working properly at the time the recording device is to be installed, the Customer shall be placed on Rider 25, Firm Transportation Service for a period of not less than 12 months.

*** Termination of Transportation Service.**

Customers served under Rider 25 or a transportation service rate (Rates 74, 76 and 77) may revert to sales service by submitting a completed Transportation Cancellation Letter of Agreement provided by the Company.

Additional Facilities.

If additional facilities are required by the Company to deliver Customer-owned gas to the Customer's premises, the Customer shall reimburse the Company for all costs thereof prior to initiation of service hereunder.

Quality of Gas.

The quality of Customer-owned gas shall meet or exceed the specifications contained in 83 Illinois Administrative Code, Section 530.10 and Section 530.15. Customer-owned gas which does not meet such specifications shall be refused by the Company.

(Continued On Sheet No. 47)

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
5th Revised Sheet No. 47
(Canceling 3rd Revised Sheet
No. 47, Effective May 31, 1997)

Terms and Conditions

(Continued From Sheet No. 46)

Unaccounted-For Gas Adjustment.

All Customer-owned gas delivered to the Company shall be reduced by the unaccounted-for gas percentage determined annually for the most recent 12 months ended June 30 to be effective the following September 1.

*** Maximum Daily Contract Quantity Determination.**

The initial Maximum Daily Contract Quantity of a Customer without 12 months daily metering history, or for whom daily metering information is not available, shall be determined from the Customer's maximum billing period usage from the previous calendar year's billing history, adjusted to a 30-day basis, according to the following formula:

$$\frac{\text{Peak Billing Period Therms} \times 30}{\text{Billing Period Days} \times 21}$$

The initial Maximum Daily Contract Quantity of Customers with at least 12 months of daily metering history will be determined by the greater of:

- a. the highest daily usage from the previous 12 months as recorded by the metering device; or
- b. The results of a regression analysis on the usage of the most recent calendar year for January, February, and December as recorded by the metering device and applied to a 79-degree day.

Thereafter, annually, the Company shall predetermine the Maximum Daily Contract Quantity of Customers based on the previous calendar year. Customers shall be informed of the applicable Maximum Daily Contract Quantity by April 1 of each year. If the predetermined Maximum Daily Contract Quantity is within five percent of the previous year's Maximum Daily Contract Quantity, no change will be made. The Maximum Daily Contract Quantity so determined shall be effective for the next 12 billing months beginning with the Customer's first bill with an ending meter reading after June 1. The Company may accept a change to a Customer's MDCQ provided it can be substantiated. The Company reserves the right to refuse to enter into any contract which specifies an unreasonably high Maximum Daily Contract Quantity.

To determine a Maximum Daily Contract Quantity for a Group served under Rider 16, Supplier Aggregation Service, base use and heat use factors will be applied to a 79 degree day in January.

Critical Day Definition.

A Critical Day shall be a day which may be declared by the Company whenever any of the following five conditions occurs or is anticipated to occur: (a) when the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities; (b) when transmission system pressures or other unusual conditions jeopardize the operation of the Company's system; (c) when the Company's transmission, storage, and supply resources are being used at or near their maximum rated deliverability; (d) when any of the Company's transporters or suppliers call the equivalent of a Critical Day; or (e) when the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

(Continued on Sheet No. 48)

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entered January 3, 2002 in Docket Nos. 00-0620 and 00-0621 Consolidated
Items in which there are changes are preceded
by an asterisk (*)

Effective January 18, 2002
Issued by - George M. Behrens
Vice President
Post Office Box 190
Aurora, Illinois 60507

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 – Gas
6th Revised Sheet No. 48
(Canceling 5th Revised Sheet,
No. 48, Effective October 3, 2001)

Terms and Conditions

(Continued From Sheet No. 47)

A Critical Day shall be declared by 8:00 A.M. the day prior to the Critical Day. The calling of a Critical Day shall be limited to the period from November 1 through April 30. Notice of a Critical Day will be posted on the Company's electronic bulletin board and via a recorded dial-in message.

*** Operational Flow Order**

As provided for in Rider 16, Supplier Aggregation Service, the Company may impose an Operational Flow Order ("OFO") in order to adequately maintain its system. The Company shall first request Customers and Suppliers to voluntarily take actions to alleviate the supply situation that is threatening operational integrity, to the extent possible. If such voluntary actions do not alleviate the situation, the Company will implement an OFO. Customers and Suppliers will be notified of any OFO at least two hours before the Gas Industry Standards Board nomination deadline on the interstate pipelines that interconnect with the Company's facilities. All OFOs will be posted on the Company's electronic bulletin board and via a recorded dial-in message. An e-mail notification will be made to customers requesting such notification and providing appropriate contact information. However, failure to receive e-mail notification shall not reduce the customer's obligations to comply with the OFO.

On days when an OFO is imposed as a result of the Company needing Customers and Suppliers to decrease their nominations (OFO Surplus Day), non-Customer Select transportation Customers shall have their Required Daily Delivery Range defined as a minimum of zero and a maximum equal to the lesser of their MDN or MDCQ.

On days when an OFO is imposed as a result of the Company needing Customers and Suppliers to increase their nominations (OFO Shortage Day), non-Customer Select transportation Customers shall have their Required Daily Delivery Range defined as a minimum equal to their usage on that day less any gas that is available to be withdrawn from their storage up to a maximum of the Customer's Storage Withdrawal Factor (SWF) times 0.021 times the Customer's Storage Banking Service capacity, and a maximum of the Customer's MDCQ.

*** Priority of Supply**

On a Critical Day or an OFO Day (on any day an OFO is imposed), when operating conditions at any receipt point(s) are such that deliveries of gas to the Company would interfere with deliveries of gas stored by the Company or exceed the Company's take-away capacity, the Company shall accept gas supplies at that receipt point(s) in the following order: 1) firm pipeline capacity with the Company designated as primary delivery point; 2) firm pipeline capacity with the Company designated as secondary delivery point; and 3) interruptible transportation and authorized excess transportation. If gas supplies are such that all gas supplies in a given priority category cannot be accepted, the gas supplies in that priority category will be prorated.

(Continued On Sheet No. 49)

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
4th Revised Sheet No. 49
(Canceling 3rd Revised Sheet
No. 49, Effective October 3,
2001)

Terms and Conditions

(Continued from Sheet No. 48)

*** Transportation Limitations and Amounts.**

Daily Nominations will be accepted if received electronically by the Company no later than 11:30 A.M. on the business day prior to the gas day the Nomination is to be effective. The deadline for Nominations by any method other than the Company's electronic bulletin board is 8:00 A.M.

Changes to daily Nominations necessitated by the pipeline interruptions of Customer-owned gas supplies will be accepted if received by the Company and verified by the pipeline no later than 8:00 A.M. of the day the Nomination change is to be effective. On a Critical Day or an OFO Day, Nominations will be accepted if received by the Company no later than 8:00 A.M. of the day the nomination change is to be effective.

From November 1 through March 31 of each year, Nominations may not exceed the Customer's Maximum Daily Contract Quantity. From April 1 through October 31 of each year, Maximum Daily Nominations (MDN) may not exceed the Customer's historical monthly usage for the period plus 25 percent of the Customer's allowed storage calculated on a daily basis. For the MDN periods of May through October, the 25 percent component of the Customer's allowable daily storage, shall first be multiplied by the Customer's applicable Storage Injection Factor (SIF). Such information to be provided by the Company to the Customer. The Company may accept anticipated monthly usage provided it is substantiated by the Customer.

The Company shall not, on any day, be obligated to accept Customer-owned gas at any location when Nomination of Customer-owned gas does not conform to procedures established herein.

Order of Deliveries.

On any day, gas shall be delivered to the Customer as follows:

- a. Requested Authorized Use;
- b. Deliveries of Customer-owned gas to the Company from an interstate pipeline;
- c. Customer-owned gas withdrawn from storage under provisions of Storage Banking Service;
- d. Company-supplied gas under the Firm Backup Service;
- e. Authorized Use; and
- f. Unauthorized Use or OFO Non-Performance use.

*** Storage Banking Service and Firm Backup Service.**

Supplies for Critical Day use may be contracted for under Storage Banking Service (SBS) and Firm Backup Service (FBS). The Storage Banking Service capacity selected must be a minimum of 1 times the Customer's MDCQ. SBS capacity up to 26 times (23 times as of the first June 1 after the Effective Date of this tariff) the Customer's MDCQ will be available. Additional SBS capacity (greater than 26 (23) times the Customer's MDCQ) may be requested. Unsubscribe SBS capacity (as determined by the Company) will be allocated by the Company to all Customers requesting capacity exceeding 26 (23) times their MDCQ.

(Continued On Sheet No. 50)

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
4th Revised Sheet No. 50
(Canceling 3rd Revised Sheet
No. 50, Effective October 3,
2001)

Terms and Conditions

(Continued From Sheet No. 49)

- * On November 1, Customer's that can annually subscribe to SBS shall have their elected SBS capacity filled to a minimum of 90 percent. A Storage Withdrawal Factor (SWF), expressed as a numerical value not to exceed 1.0, shall be determined by dividing the Customer's November 1 SBS inventory balance by their respective and then effective SBS capacity. Any SWF value greater than or equal to 0.90 shall be rounded 1.0. Any SWF less than 0.90 shall be rounded up to the next 0.01. A Customer's SWF shall be applied to their individual SBS withdrawals rights and serve to reduce their withdrawal rights on any Critical Day or OFO Shortage Day.
- * On April 1, Customer's that can annually subscribe to SBS shall have their SBS inventory balance reduced to a maximum of 10 percent. A Storage Injection Factor (SIF), expressed as a numerical value, shall be determined by subtracting from one (1), the result obtained from dividing the Customer's April 1 SBS balance by their respective elected SBS capacity. Any SIF value greater than or equal to 0.90 shall be rounded to 1.0. Any SIF less than 0.90 shall be rounded up to the next 0.01. A SIF shall be applicable to the 25 percent monthly storage injection component of each Customer's respective MDN quantities in effect beginning May 1 through October 31 of each year.
- * Terms available for withdrawal from storage on a Critical Day or OFO Shortage Day shall be limited to a Customer's SWF times 0.021 times the Customer's Storage Banking Service capacity. Storage withdrawals are deemed to occur when Customer usage exceeds Requested Authorized Use and Customer-owned gas delivered.

A Customer may contract for delivery of Company-supplied gas under Firm Backup Service. The Company will provide gas up to the Firm Backup Service quantity on any day, including a Critical Day.

The Customer shall specify the SBS and FBS levels when initially contracting for service under any transportation rate.

A request for a transfer to a firm sales service rate, or a rate or rider which provides for a higher level of SBS or FBS, will be treated as a request for a change in the SBS or FBS.

An entity taking service at more than one location may contract for service as a Group. Each member of the Group shall individually contract for SBS and FBS. Nominations, SBS and FBS will be monitored at the group level in aggregate. However, on a Critical Day, Customers will be monitored on an individual basis for compliance with SBS and FBS selections. Customers electing service under Rider 25 will not be permitted to form a group with Customers electing service under any other transportation rate.

(Continued On Sheet No. 50.1)

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
Original Sheet No. 50.1

Terms and Conditions

(Continued From Sheet No. 50)

*** SBS and FBS Selections.**

Annually, by March 1, the Company shall notify the Customers of their Storage Banking Service (SBS) capacity and Firm Backup Service (FBS) quantity. SBS capacity will be shown at the higher of 26 times (23 times as of the first June 1 after the Effective Date of this tariff) the Customer's Maximum Daily Contract Quantity (MDCQ) or the Customer's requested amount. Any change to the SBS capacity or FBS quantity, as shown on the Company's notice, must be requested by April 1 and be based on the MDCQ effective June 1. A Customer's previous request for SBS will be considered each April 1 regardless of whether or not the Customer's request was accepted for the current period. The Company will notify Customers of additional SBS capacity awarded by May 1 and will accept a change to FBS quantity prior to June 1.

Requests for higher SBS and FBS levels will be treated as requests by a new Customer of similar size requesting service. Requests for reduced SBS and FBS levels, as provided for in the Tariff, will be permitted. If any change can be accommodated without impairing the Company's operations or adversely affecting costs, in the Company's opinion, such change will be permitted on a mutually agreeable date. Any accepted increase in FBS service shall be for a period of not less than 12 months and any requests to reduce FBS will not be allowed until the anniversary date following the 12-month period. If no such notification is received, in writing, from Customer, current selections will stay in effect for the next 12 billing months beginning with the Customer's first bill with an ending meter reading after June 1. The Company reserves the right to lower Customer's service selections if current selections are in violation of these rates and riders based on Customer's predetermined MDCQ.

(Continued On Sheet No. 51)

Filed with the Illinois Commerce Commission on November 4, 2004
Items in which there are changes are preceded by an asterisk (*)

Effective December 19, 2004
Issued by – Gerald P. O'Connor
Vice President
Post Office Box 190
Aurora, Illinois 60507

Terms and Conditions

(Continued From Sheet No. 50.1)

Requested Authorized Use.

Requested Authorized Use shall be available only upon prior request by the Customer and upon authorization by the Company. Authorization shall be granted only on a daily basis in volumes not to exceed the Maximum Daily Contract Quantity. Requested Authorized Use gas shall be accounted for as the first gas delivered on any day for which it has been authorized. If the volume of such Requested Authorized Use is greater than the Customer's usage on any day, the difference shall be accounted for as Customer-owned gas in storage.

Authorization shall be granted only upon determination by the Company that availability of Requested Authorized Use gas will not adversely affect the Company's operations or its cost of gas supplies.

*** Authorized Use.**

Authorized Use in a billing period shall be the sum of Daily Authorized Use.

Daily Authorized Use shall be usage on any day, other than a Critical Day or an OFO Shortage Day, in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the Company less unaccounted-for gas; (c) Customer storage withdrawals; and (d) the contracted for quantity of Firm Backup Service.

Daily Authorized Use shall also be usage on any Critical Day or an OFO Shortage Day of any Company-owned gas within the limitations of the Storage Banking Service. Authorized Use on any Critical Day or an OFO Shortage Day outside the limitations of the Storage Banking Service is not available.

Unauthorized Use.

Unauthorized Use in a billing period shall be the sum of Daily Unauthorized Use.

Daily Unauthorized Use shall be usage on any Critical Day in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the Company less unaccounted for gas; (c) storage withdrawals as limited by SBS; (d) the contracted for quantity of Firm Backup Service; and (e) Authorized Use within the limitations of the SBS.

Payment of the additional charge for Unauthorized Use shall not, under any circumstances, give the Customer the right to Unauthorized Use, nor shall such payment exclude or limit the Company's right to discontinue service to the Customer for Unauthorized Use.

Unauthorized Use which causes interference with the Company's operations or service to any other Customer of the Company shall make the Customer subject to termination of gas service hereunder upon one (1) hour's notice from the Company.

(Continued on Sheet No. 52)

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
5th Revised Sheet No. 52
(Canceling 4th Revised Sheet
No. 52, Effective January 18, 2002)

Terms and Conditions

(Continued From Sheet No. 51)

Customer-owned Gas.

Customer warrants that it owns and has clear title to all Customer-owned gas delivered to the Company for transportation and/or storage under any rate or rider. Customer grants Company a first lien upon and security interest in all Customer-owned gas delivered to the Company, as security for payment of all current and future charges of the Company under any rate or rider.

If bankruptcy or other insolvency proceedings are commenced by or against a transportation/storage Customer, all gas transported and gas used by Customer after commencement of the bankruptcy/insolvency proceedings shall be separately billed and accounted for. A Customer who desires to continue receiving gas service during the tendency of such proceedings shall immediately notify the Company of the proceedings, provide adequate assurance of payment for post-petition sales or transportation service and comply with the provisions of the applicable rate/riders, including but not limited to maintaining any required minimum storage balance.

Finaled Accounts of Transportation/Storage Customers.

An account is considered finaled when the customer is no longer receiving any service from the Company at the existing premise. For finaled accounts, Transportation/Storage customers will have the option of: 1) transferring the storage balance to another account of common ownership; or 2) having the gas valued at the price reported in Natural Gas Week, or a similar publication if Natural Gas Week is not available, for Chicago area spot gas times 0.90. The price used will be the most current published price prior to the date the account was finaled, with the value applied first to payment of any unpaid charges under any rate or rider.

In the event the account is finaled due to bankruptcy, gas in storage shall be valued as in 2) above, with the value applied first to payment of any unpaid charges under any rate or rider. Any amounts remaining after payment of unpaid charges will be forwarded to the Customer or as directed by a court of competent jurisdiction.

*** Fee for Group Changes.**

A \$15.00 service fee shall be assessed to any Customer entering or leaving a previously established group.

(Continued On Sheet No. 52.5)

Filed with the Illinois Commerce Commission on November 4, 2004
Items in which there are changes are preceded by an asterisk (*)

Effective December 19, 2004
Issued by – Gerald P. O'Connor
Vice President
Post Office Box 190
Aurora, Illinois 60507

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
2nd Revised Sheet No. 52.5
(Canceling 1st Revised Sheet
No. 52.5, Effective January 18,
2002)

Terms and Conditions

(Continued From Sheet No. 52)

*** Telephone Service Outages.**

Company reserves the right to bill Customers for each service call to investigate or repair the recording device if such service call is the sole result of a telephone service outage. Frequent or prolonged telephone service outages may result, at the sole discretion of the Company, in the Customer being removed from current rate and placed on Rate 4 - Rider 25, Firm Transportation Service, for a period of 12 months.

Use of Company Supplies.

Transportation Customers relying on Authorized Use to meet substantially all of their usage requirements for an extended period will be served only under Rider 25, Firm Transportation Service.

Excess Storage Balance Transfers.

An Agent, Customer or Group Manager may request a transfer of any excess storage balance as of the end of a billing period to another Customer or Group manager. The selling party must submit the request, in writing, specifying the terms to be transferred, and the accounts transferring and receiving the storage balance. Requests for transfers of excess storage will be accepted up to 20 days after the date of issue of the bill containing the excess storage charge. Such excess balance transfer shall be effective with the beginning storage balance for the month in which the request is made. A fee of \$15.00 will be assessed to the account from which the transfer is being made.

*** Transfers of SBS and FBS.**

An Agent, Customer, or Group Manager may request to transfer a quantity of Storage Banking Service (SBS) capacity, including its associated withdrawal rights, or Firm Backup Service terms from a Customer served under Rate 74, 76 or 77 to another Customer served under Rate 74, 76 or 77. The transferring party must make the request, in writing, specifying the SBS capacity or FBS terms to be transferred, and the transferring and receiving accounts. The transfer will be effective for each party on the first day of the billing period after the request is received by the Company and will stay in effect for the remainder of the contract period or until another transfer is initiated. Customers must retain a minimum SBS capacity of 1 MDCQ. A fee of \$35.00 will be assessed to the account from which a transfer is being made.

Third Party Billing Service.

Any third party desiring to have the Company to include its charges to the customer on the Company's bill shall enter into the Company's standard contract that stipulates the procedures to be followed. The Company will provide up to six (6) standard lines of text that may be used by the third party. The Company will process customer payments in a timely manner and will electronically forward payments to the third party's bank account and notify the third party of the customer's payment on a daily basis. The fee for billing and payment processing will be \$0.25 per bill. If the third party would like additional services with respect to billing, the Company and third party will negotiate in good faith the fees for such additional services. The Company will report these additional services and fees to the Illinois Commerce Commission as assurance that any such additional services and fees are being offered on a non-discriminatory basis.

(Continued On Sheet No. 53)

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 - Gas
4th Revised Sheet No.53
(Canceling 3rd Revised Sheet
No. 53, Effective December 31,
1999)

Terms and Conditions

* (Continued From Sheet No. 52.5)

nicor

G A S

Nicor Gas
Gas Transportation
Customer Service Center

P.O. BOX 190
Aurora, IL 60001-0190
A70 000000

Transportation Cancellation Letter of Agreement

Dear Nicor Gas,

You, Nicor Gas ("Nicor Gas") and I, the Customer ("Customer"), are parties to a contract for Transportation Service.

I wish to cancel service under this Transportation Service Contract by executing this Letter of Agreement per the option selected below. I understand that I am responsible for notifying my broker or supplier that I am canceling transportation service and returning to sales service, and that I am responsible for any outstanding obligations for payment, including any remaining monthly administration fees and/or telemetering device charges (if cancellation is prior to the initial 12-month period).

I also understand that, if I have a multiple accounts contract with Nicor Gas, I have the option of either canceling service for the entire group or canceling service for certain accounts in my group which I have listed on the reverse side of this Letter of Agreement, while maintaining transportation service for the remaining accounts. I understand by leaving the group, my account will be assessed a group change fee.

I wish to cancel my existing Transportation Service Contract for the account(s) checked:

☐ Individual Account

☐ Entire Group

Choose one of the following options:

☐ I wish to remain on transportation service and pay applicable charges under Rider 25 until all Customer-owned gas for my account(s) is/are depleted.

☐ I wish to cancel my contract effective with the first complete billing period subsequent to the date this Letter of Agreement is received by Nicor Gas, thereby assigning to Nicor Gas any Customer-owned gas received or stored on behalf of my account(s) by Nicor Gas as of the ending date of such billing period. I further warrant that I have clear title to any such assigned gas and agree to provide Nicor Gas on demand sufficient documentation of such clear title.

☐ Certain Accounts within a group. List accounts on reverse side.

By so executing this Letter of Agreement, I understand and agree to cancel Transportation Service for the account(s) indicated below and on the reverse side of this Letter of Agreement, and that such account(s) will return to sales service. I further understand and agree that I will not be permitted to transport Customer-owned gas for such account(s) for one (1) year from the date this Agreement becomes effective.

Company Use Only Revised Group Data (if applicable)						
Maximum Daily Contract Quantity (MDCQ) _____						
Maximum Daily Nomination: _____						
Apr _____	May _____	June _____	July _____	Aug _____	Sept _____	Oct _____
For the Company				For the Customer		
Date received from customer				Date		
Accepted by				Signature		
Official Capacity				Telephone		
Date Accepted				Nicor Gas Account or Group No.		
				New Billing Address, if applicable		

(Continued On Sheet No. 54)

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Effective January 18, 2002
Issued by - George Behrens
Vice President
Post Office Box 190
Aurora, Illinois 60507

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 – Gas
4th Revised Sheet No. 54
(Canceling 3rd Revised Sheet No.
54, Effective March 9, 2002)

Terms and Conditions

(Continued From Sheet No. 53)

BILL FORMAT*



Nicor Gas
P.O. Box 416
Aurora, IL 60508-0416

www.nicorgas.com/myaccount

1 888 NICOR 4U 1 888 642-6748

Service For:
PENNY FLAME
9999 NATURAL GAS LN
AURORA

Account: 1-04-11-9999 9
Meter Number 2947294
Residential-Space Heat

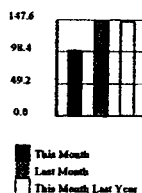
Energy Profile

Average Daily Cost
2004 \$2.46

Average Daily Therms
2004 3.16
2003 4.77

Total Degree Days
2004 759
2003 1209

Monthly Therm Usage



Need help paying
your gas bill?
Visit
nicorgas.com for
information on
the Budget Plan
and payment
assistance such as
LIHEAP and
Nicor's Sharing
Program.

Payment Information

Previous acct. balance 114.68
Paymt rec'd, thank you -114.68

Meter Reading

Current: 9711 Estimated Meter Reading - April 6, 2004
Previous: 9611 Actual Meter Reading - March 5, 2004
Difference: 100 (32 days)
Conversion to Therms: 100 x 1.011 BTU Factor = 101.10 Therms

Delivery Charges

Monthly Customer Charge 6.45
First 20 Therms 20.00 @ .2012 = 4.02
21 - 50 Therms 20.00 @ .1117 = 2.23
Over 50 Therms 51.10 @ .0374 = 1.91
Environmental Recovery Cost 101.10 @ .0046 = .47

Natural Gas Cost

101.10 Therms x .5563

Taxes

State Revenue Tax 101.10 @ .024 = 2.43
Utility Fund Tax 72.44 @ .10 % = .07
Municipal Tax 72.44 @ 5.15% = 3.72

\$16.20

\$56.24

\$6.23

Tot current bill-est

\$78.67

Our Budget Plan can even out the seasonal highs and lows of your gas bill by spreading your payments over 12 months. Your recommended Budget Plan amount is \$81.00. To sign up, pay this amount with your next bill, visit nicorgas.com or call 1 888 Nicor4u (1 888 642-6748). Keeping your account current will help you maintain a good credit rating as it is Nicor's policy to report significant late payments to a credit bureau.

Total Amount Due
Date of issue April 7, 2004

\$78.67



Please detach and return with your payment

Current bill \$78.67 due by 04/28/04

Due by: 4/28/04
\$78.67

To sign up for Budget Plan
Pay \$81 and check here

Indicate amount added for Sharing:

☐ \$2 ☐ \$5 ☐ \$10 ☐ \$25

Account: 1-04-11-9999 9

PENNY FLAME
P.O. BOX 190
AURORA IL 60508-0147



PO BOX 416
AURORA IL 60508-0001



01 04 11 0000 9 0000078675 0000078675 0

(Continued On Sheet No. 55)

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Issued by – Gerald O'Connor
Vice President
Post Office Box 190
Aurora, Illinois 60507

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 – Gas
4th Revised Sheet No. 55
(Canceling 3rd Revised Sheet No.
55, Effective March 9, 2002)

***Terms and Conditions**

(Continued From Sheet No. 54)



!DANGER! Certain Older Gas Connectors May Be Dangerous



Gas connectors are corrugated metal tubes used to connect gas appliances in your home to fuel gas supply pipes. Some older brass connectors have come apart, causing fires and explosions resulting in deaths and injuries. These older brass connectors have a serious flaw in how their tubing was joined to their end pieces. Over time, the end pieces can separate from the tubing, and cause a serious gas leak, explosion or fire. To our knowledge, these dangerous uncoated brass connectors have not been made for more than 20 years, but many of them are still in use. The older these connectors get, the greater the possibility of failure. Although not all uncoated connectors have this flaw, it is very difficult to tell which ones do. Therefore, any uncoated brass connector should be replaced immediately with either a new plastic-coated brass or a new stainless steel connector. Connectors can wear out from too much moving, bending or corrosion. Connectors should always be replaced whenever the appliance is replaced or moved from its location.



WARNING: Only a qualified professional should check your connector and replace it if needed.

Don't try to do this yourself! Moving the appliance, even slightly, whether to clean behind it or to inspect its gas connector, can cause the complete failure of one of these older weakened connectors, possibly resulting in a deadly fire or explosion.
Do not move your appliance to check the connector!

IF YOU SMELL GAS: If you suspect a gas leak: Leave the house immediately. Don't use your phone; call Nicor Gas for assistance from a neighbor's house. Don't light a match. Don't turn on a light. Don't switch on anything electrical.

For additional information on appliance connectors please call us at 1 888-288-8110 or visit our Web site at www.nicorgas.com.

GLOSSARY OF TERMS

Meter Reading

Actual Meter Reading - Your meter was read by a Nicor Gas meter reader.

Customer Read - You reported your meter reading to us.

Estimated Meter Reading - Your reading was estimated based on previous use and the weather. Every other month, we estimate most customers' meter readings. On your next bill, any difference from your actual use is automatically corrected when we take an actual meter reading.

Therm - A therm is the basic unit for measuring your natural gas consumption.

Meter Exchange - If we exchanged your meter, this note means your bill is based on the reading of the meter we removed from your address.

Pressure Factor - If you require higher than normal gas pressure, the pressure factor is a multiplier that adjusts for increased gas volumes flowing through a meter.

Delivery Charges - These charges cover our fixed and variable operating and distribution costs. A portion of these charges varies from month to month based on your natural gas usage.

Monthly Customer Charge - A minimum monthly fixed charge that is assessed even when you do not use natural gas.

Environmental Recovery Cost - Covers our costs for the environmental investigation and cleanup of former manufactured gas plants. Nicor Gas receives no profit from these charges.

Natural Gas Cost - The price we pay our suppliers for the natural gas we deliver to your home or business. The price may change each calendar month and is fixed with the Illinois Commerce Commission.

Taxes

State Revenue Tax - This is mandated by the State of Illinois. It is not a sales tax.

Utility Fund Tax - This funds the Illinois Commerce Commission, which regulates all Illinois utilities and is mandated by the state.

State Use Tax - This tax is imposed on natural gas purchased outside of Illinois for use or consumption in Illinois.

Municipal Utility Tax - Some municipalities charge this tax based on utility revenue. It is authorized by Section 8-11-2 of the Illinois Municipal Code and is applied according to the local municipality's ordinance.

Municipal Use Tax - Some municipalities charge this tax based on your gas use. Your local municipality has an ordinance requiring collection of this tax.

Energy Profile

Degree Day - Degree days are used to estimate the amount of natural gas used for heating. Degree days result when the average of the day's high and low temperatures drops below 65 degrees.

Payment Information

Budget Plan - This plan spreads your estimated annual gas costs over 12 monthly payments. Approximately every four months we evaluate your account and adjust your monthly payment for changes in weather and/or the price of gas. If you build a credit balance on your account, you will receive earned credit. If you have a debit balance, a finance charge will be assessed. Staying current on your payments will result in favorable reporting to credit bureaus.

Sign up on your bill stub or at nicorgas.com.

Security Deposits - In accordance with the Illinois Administrative Code Part 280, Nicor Gas may request a cash security deposit under the following circumstances: history of late payments, failure to pay final bill at a prior address, service disconnection due to non-payment, meter tampering, or other reasons.

Credit Reporting - We report payments to credit bureaus. Payments more than 30 days past due may adversely affect your credit rating.

Electronic Funds Transfer - You can have the amount of your gas bill electronically withdrawn from a checking or savings account on a specific date or when the bill is due. Sign up at nicorgas.com.

Other Options - Pay your bill by telephone or personal computer using our e-bill service. Sign up at nicorgas.com. To pay with a credit card, call 1 888 642-5748.

Sharing - A charitable program designed to help people pay their natural gas bills. To see if you could benefit from Sharing, please contact your local Salvation Army. To contribute to Sharing, please check the appropriate box on your bill stub and add the amount to your payment.



ATTENTION! Please read important notice at top of page about dangerous gas connectors.

¡ATENCIÓN! Para recibir una traducción al español de la advertencia relativa a conectores de gas peligrosos mencionada al inicio de esta página, favor de llamar al 1 888-288-8110 o visite www.nicorgas.com.